

VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES

OCTOBER 27, 2011

NATIONAL LIFE BUILDING, 6TH FLOOR

MONTPELIER, VT

9:30 A.M. TO 12:00 P.M.

Members Present: Gordon Bristol, Betsy Gentile, Chris Keyser, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Nancy Port, Bryon Quatrini, Rachel Smith, Mark Young.

Staff Present: Fred Kenney; Alice Cloud

Others Present: Jeff Carr, EPRI; Lori Hirshfield, Town of Hartford; Brian Poulin, Tax Department; Larry Brand, Transcend Quality Manufacturing, Inc.

Present by Phone: Jamie Stewart; REDC

9:34 a.m.: Stephan Morse called the meeting to order.

Stephan asked if there was any public comment. Hearing none, Stephan requested Council approval of the July 28, 2011 meeting minutes.

9:35 a.m.: Nancy Port motioned to approve the July 28, 2011 meeting minutes as presented. Betsy Gentile seconded and the motion carried 10-0-0.

9:36 a.m.: Betsy Gentile motioned to add the new initial VEGI applicant, Transcend Quality Manufacturing, Inc. to today's agenda. Chris Keyser seconded and the motion carried 10-0-0.

9:37 a.m.: Nancy Port motioned to enter into Executive Session and Betsy Gentile seconded. The motion carried 10-0-0.

10:16 a.m.: Betsy Gentile moved to exit Executive Session and Mary Lintermann seconded. The motion carried 10-0-0.

10:17 a.m.: **Transcend Quality Manufacturing, Inc. - Brandon (Initial)**

Chris Keyser made a motion to approve an Initial Application from Transcend Quality Manufacturing, Inc., giving initial authorization of "Green VEGI" incentives with a maximum of up to \$181,429, with an estimated incentive of \$148,167, based on application data for activity to commence in calendar year 2011, citing a determination that the applicant met the But For and program guidelines subject to submittal and consideration of a Final Application before December 31, 2011. Mary Lintermann seconded and the motion carried 10 -0-0.

10:18 a.m.: Chris Keyser made a motion to authorize 100% of the available Subsection 5 enhancement with a maximum amount of \$65,512 for a total maximum incentive of \$246,941. Mark Young seconded and the motion carried 10-0-0.

10:19 a.m.: **WCW, Inc. - Manchester (Final)**

Chris Keyser made a motion to approve a Final Application from WCW, Inc./4 J's Realty Management, giving final authorization of maximum incentives of up to \$512,449, with an estimated incentive of \$492,561 based on application data, citing a determination that the applicant met the But For and program guidelines when the Initial Application was approved in July 2011 and that the project will generate a minimum net revenue benefit of \$202,024. Betsy Gentile seconded and the motion carried 10-0-0.

10:20 a.m.: **Vermont Smoke and Cure - Hinesburg (Final)**

Mary Lintermann made a motion to approve a Final Application from VSC Holdings, Inc. (dba Vermont Smoke and Cure), giving final authorization of maximum incentives of up to \$156,913, with an estimated incentive of \$135,991 based on application data, citing a determination that the applicant met the But For and program guidelines when the Initial Application was approved in February 2011 and that the project will generate a minimum net revenue benefit of \$86,727. Betsy Gentile seconded and the motion carried 10-0-0.

10:23 a.m.: **EATI Terminations**

Mark Young moved to approve the following staff recommendations for disallowance and recommendation to the Commissioner of Taxes for recapture of EATI tax credits:

- Dale of Norway: Disallow all unearned credits.

- Ringmaster Software: Disallow Unearned and carry-forward credits, recapture earned and applied.
- Sentient Corp.: Disallow all unearned credits.
- Sonic Circus/Blue Sky of VT: Disallow any unearned and carry forward credits and recapture earned and applied credits.

Nancy Port seconded and the motion carried 10-0-0.

10:25 a.m.: The Council took up the Hartford TIF District application, which was tabled at the July 2011 meeting. Fred Kenney gave an overview of how the TIF District process works as a refresher for the Council and the two new council members.

Jeff Carr provided the Council with an overview of the findings by the TIF application analysts.

Lori Hirshfield was asked about the damages from Irene flooding and the impact that would have on the town's ability to proceed with the TIF District. She stated that the TIF district was minimally affected by Irene and that the town is working with private investment to proceed with the TIF District as noted. Any budgetary constraints for redevelopment would be dealt with for the areas outside of the TIF District plan.

10:50 a.m.: Warren Kitzmiller made a motion that the Council find that the Hartford TIF District plan, as presented, and to the extent that a determination can be made, is fiscally viable and has reasonable market viability. Nancy Port seconded and the motion carried 9-0-1 with Bryon Quatrini abstaining.

10:52 a.m.: Chris Keyser made a motion that the Council find that the Hartford TIF Financing Plan, as presented, is consistent with the Hartford TIF District Plan. However, because of the level of uncertainty in the Financial Plan, such as the types of debt instruments to be utilized, the Council considers this a partial determination and requires that the town file project phases under the Master TIF Determination procedure. The viability and reasonableness of non-bonded debt will be determined as subsequent project phases are filed by the Town of Hartford. Mary Lintermann seconded and the motion carried 9-0-1 with Bryon Quatrini abstaining.

Fred Kenney reviewed some housekeeping items with the Council, including the 2012 meeting calendar, the 2011 VEGI Annual Report, and updates to the VEPC Strategic Plan.

Stephan stated that he would like to spend more time on the Strategic Plan at the January meeting. Stephan also noted that he would like the Council to discuss the possibility of meeting in locations in different parts of the State.

Chris Keyser commended staff for their work on the annual report and Strategic Plan. He would like to see a Table of Contents and the name of the summary page as the Executive Summary in the Annual Report.

Fred also introduced a new tool for board materials: a secure website. We will phase in this process for a few months utilizing both the secure site and the memory sticks. Board members pointed out that Internet access will be required in the conference Room or any meeting venue so that meeting materials can be viewed during the meeting.

11:03 a.m.: Jeff Carr gave an overview presentation on VEGI Cost-Benefit Modeling.

11:50 a.m.: The meeting was adjourned.

*Minutes taken by Alice Cloud: **October 27, 2011***

*Revised by Fred Kenney: **October 31, 2011***

*Approved by the Board: **December 8, 2011***